eHealth Presentation for Blue Ribbon Panel Technology Subcommittee

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Agenda

- **eHealth Industry Overview** (Problems and Solutions)
  - Cost
  - Quality
  - Access
- CHFS eHealth Background
- Overview of Senate Bill 2
- Current state of CHFS eHealth Infrastructure
- How can healthcare payers benefit from eHealth improvements?

Industry Problems

1) The rising cost of Health Care

- High Transaction Cost (Manual processes, duplication, etc)

- Inefficient economic/market forces (Visibility, incentives, mind set)

- Inefficient Information Flow (Clinical and Administrative)

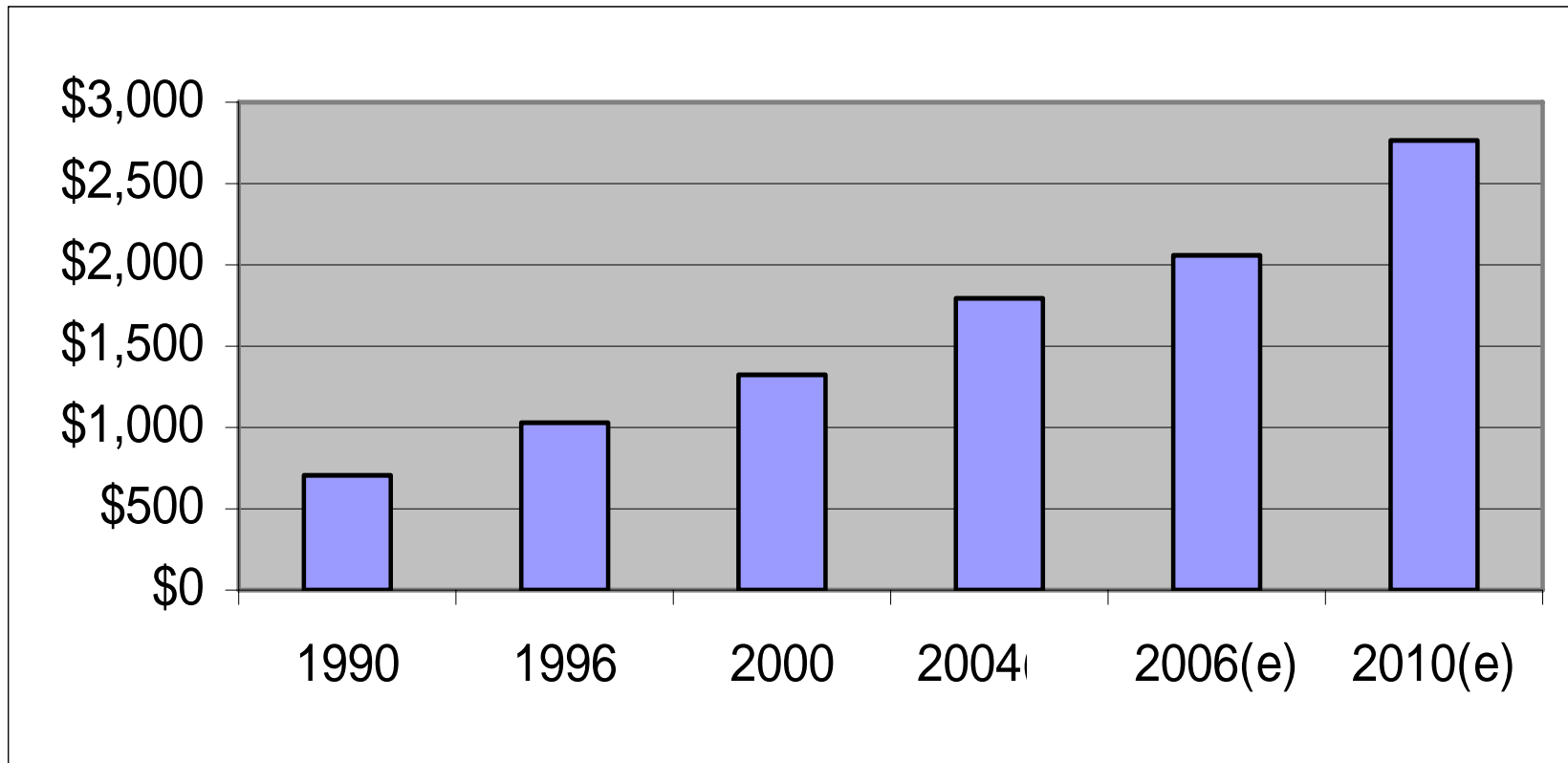2) Timeliness and Accuracy of Health Care Information

- Specialist needs patient EHR from primary care physician

- Doctor needs to know drug information (quality, price & interactions) before prescribing

- Patients needs to share their EHR/Rx with multiple providers

- Doctor needs timely and accurate lab information to make diagnosis

3) Access to Care

- Patient needs to physically go see doctor to get EHR and advice

The Problem- Cost of Care

Health Care Cost=17% of GDP

The Problem-Efficiency

The Comparative Efficiency of our National Health Systems
(An analysis of 191 Countries*)

County	Rank
France	4
Spain	6
Japan	9
Netherlands	19
Sweden	21
United Kingdom	24
Switzerland	26
Canada	35
Germany	41
United States	**72**

*Source: Centers for Medicare and Medicaid Services, March 2002

The Problem-EMR

General Practitioners' Use of Electronic Medical Records

	%	EMR
Finland	%	**56**
Netherlands	%	**88**
Sweden	%	**90**
Germany	%	48
United Kingdom	%	**58**
France	%	6
Austria	%	55
Ireland	%	28
Spain	%	**9**
Denmark	%	**62**
Luxembourg	%	30
Italy	%	37
Belgium	%	42
Greece	%	17
Portugal	%	5
European Union Average	%	**29**
USA	%	**17****

**June 2000

Sources: European Union Euro Barometer June, July 2001 and Harris Interactive Surveys for USA in June 2001 and Jan/Feb 2001

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Problem Statistics-Timeliness & Accuracy

A Study from the Health Care Industry Organization shows:

- 57 % of patients had to tell the same story to multiple health professionals

- 26% received conflicting information from different health care professionals

- 22% had duplicative tests ordered by different health professionals

- 25% of test results didn't reach the office in time for the patients appointment

High Level Solution

Cost of Care

- Improved triage to reduce unnecessary office and ER visits

- Improved home care to reduce nursing home and hospital care

- More robust disease management

- Reduced paper flow

- Faster processing of administrative transactions

- Automated scheduling and prescription refills

Source: NHII Contributions to Healthcare System Improvements

High Level Solution

Quality of Care

- More consistent implementation of clinical practice guidelines

- Improve clinical data collection and analysis at the organizational and national level

- Portability of patient information across healthcare provider organizations

- Improved provider-patient communication

- More accurate and accessible patient records

- Fewer drug-drug interactions and medication errors

- Automated reminders and alerts

- Continuous event monitoring to detect adverse events

Source: NHII Contributions to Healthcare System Improvements

High Level Solution

Access to Care

- Improved patients overall health to reduce need for office and ER visits

- Improve patient access to their personal medical records

- Improve patient scheduling to reduce wait time

- Improve availability of health care research for patients

- Improve communication between doctors as patient switch providers

Kentucky E-Health Network
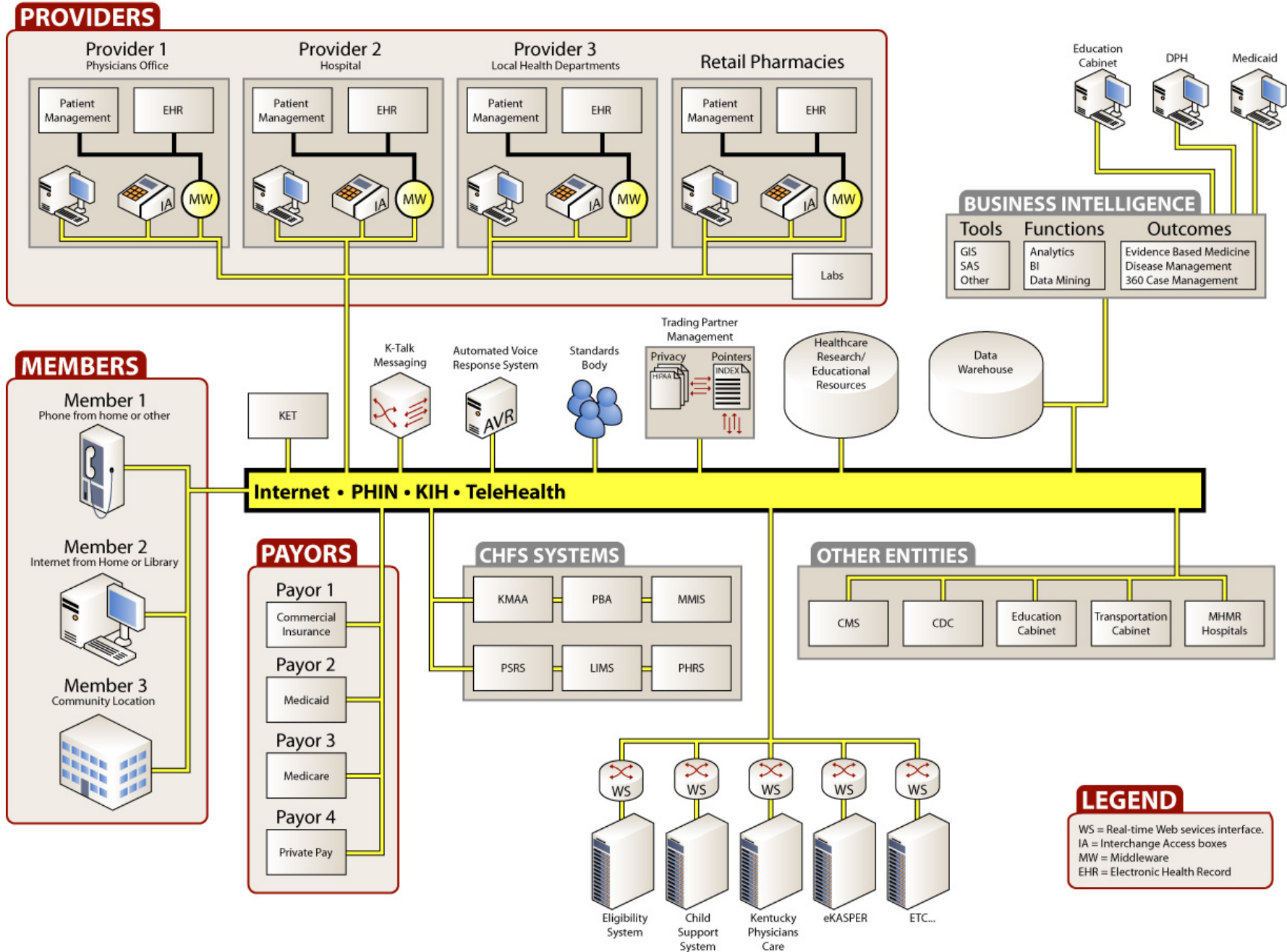
What is Kentucky doing?

•Governor signs Senate Bill 2 on March 8, 2005:

"SB 2, known as the "e-health bill," sets the ground work for Kentucky to start developing a secure, electronic network that will allow health care providers--including doctors, hospitals and pharmacies--to share medical information about patients through a paperless system. The Kentucky e-Health Network will allow faster information sharing to reduce mistakes, inefficiencies, and administrative costs—all resulting in better patient care."

Continually implement federal standards/policies (lifecycle approach)

Source: Excerpt from press release: Governor Ernie Fletcher Signs Broad Health Legislative Package;

Measures Will Improve Health Care, Protect Seniors and Fight Childhood Obesity

Current state of CHFS eHealth Infrastructure

- The Fletcher Administration is actively working to appoint SB2 board members within the next few weeks.

- CHFS is moving forward with its plan to build eHealth infrastructure.

- The K-Talk interoperability engine has been purchased and is being configured.

- All implementations are standards independent.

- CHFS is actively researching and inventorying the current state of eHealth systems in the Commonwealth (Hospitals, Local Health Depts, Labs, Pharmacies, Clearing Houses, Physicians Offices and Health Care Payers, etc)

How can healthcare payers benefit from ehealth improvements?

üPayers will benefit financially from system efficiency improvements

üPayers will be able to pass these savings on their members

üImproved quality of care for state employee

• However, to benefit from National policies and standards states must have eHealth infrastructure in place

Kentucky in 2010
Our Goal and Vision

Partnership — Successful provider organizations will reach out to payers, employers, physicians, suppliers, regulatory agencies, and community members to form symbiotic partnerships to improve services, reduce costs and improve the safety and quality of care

Cost — Providers will feel pressure to offer more cost effective, evidence-based care to their patients

Transformation — Provider organizations will incrementally adjust business processes, service levels and the provision of care in response to changing economic incentives, customer expectations and business realities

Consumerism — Provider organizations will distinguish themselves by developing new and innovative services to meet consumer demand and expectations and by marketing themselves as providing higher quality, lower cost or greater value than their competitors

Collaboration — Provider organizations will seek solutions to enable secure communication and collaboration with their customers and trading partners as well as business models to use these capabilities to extend services, generate new revenue and provide more cost effective models of care

Improving Health — Provider organizations will establish centers of excellence and publish comparative outcomes data made possible by investments in information technology

Transparency — Provider organizations will increasingly be measured against best practices and community-defined standards of care

Systems Interrelationship — In order to stay in business (and meet expectations of consumers and trading partners) providers will increasingly implement technologies that enable the electronic capture and sharing of information

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